



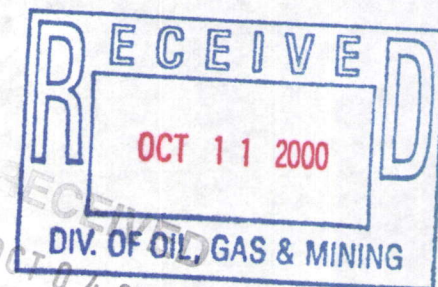
State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

Michael O. Leavitt
Governor

David T. Terry
Director



October 2, 2000

Robert L. Harris
278 West Main Street
Delta, Utah 84624

Re: Approval to Commence Small Mining Operations - Gemstone/Fossil Lease ML 48588

Dear Mr. Harris:

The School and Institutional Trust Lands Administration ("Trust Lands Administration") is in receipt of your Notice of Intent to Commence Mining (NOI), dated September 27, 2000, on lands encompassed by the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T. 40 S., R. 8 W. SLB&M. For your information your NOI incorrectly noted the wrong lease number. For clarification your lease number is ML 48588, not 48558. I have correctly noted the proper lease number on you NOI. The information provided in your notice satisfies the notification requirements of the Trust Lands Administration and by this letter approval is granted to commence with the described mining activity.


The proposed mining plan consists of continuation of open pit mining originally created under Gemstone/Fossil lease ML 19890, in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T. 40 S., R. 8 W., SLB&M, in Kane County, Utah. The proposed open pit mine is expected to create no more than one quarter of new surface disturbance. In order to avoid adjustments of reclamation bonding reclamation should be conducted concurrently with ongoing mining. As you are responsible for disturbances created under ML 19890 it is highly recommended that over burden created from prior open pit mining be contoured and seeded this fall in order to facilitate emergence of vegetative cover in the spring of 2001.

As you will be commencing with your operation on lands that were previously disturbed by mining activity under the former Gemstone/Fossil lease ML 19890, you will not be required to perform a cultural or paleontological survey. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

Upon completion of your mining operation all surface disturbances resulting from your operations on the leased lands will be fully reclaimed to the satisfaction of the Trust Lands Administration and in compliance with the State of Utah Mined Land Reclamation Act.

Trust Lands Administration approval to commence exploration or mining does not alleviate the necessity to comply with the requirements of the Division of Oil, Gas and Mining. You must contact them and comply with their requirements before commencing with any exploration or development. The address of the Division of Oil, Gas and Mining is 1594 West North Temple, Suite # 1210, P. O. Box 145801, Salt Lake City, Utah 84114.

Sincerely,

A handwritten signature in black ink, appearing to read 'William M. Stokes', written over a horizontal line.

William M. Stokes
Minerals Resource Specialist

cc: Tom Munson, DOGM